

**63H-2-402 Sources from which an authority bond may be made payable -- Authority powers regarding authority bond.**

- (1) The principal and interest on an authority bond may be made payable from:
  - (a) the income and revenues related to a qualifying energy delivery project financed with the proceeds of the authority bond;
  - (b) the income and revenues from a public or private source under Subsection 63H-2-201(2)(c);
  - (c) a contribution, loan, grant, or other financial assistance from a public entity or other source under Subsection 63H-2-201(2)(d);
  - (d) authority revenues generally; or
  - (e) money derived from a combination of the methods listed in Subsections (1)(a) through (d).
- (2) In connection with the issuance of an authority bond, the authority may:
  - (a) pledge all or any part of the authority's gross or net revenues to which the authority:
    - (i) has a right that exists at issuance of the authority bond; or
    - (ii) may have a right that comes into existence after issuance of the authority bond; and
  - (b) even if a covenant or action is not specifically enumerated in this chapter, make a covenant or take an action that:
    - (i) may be necessary, convenient, or desirable to secure the authority bond; or
    - (ii) except as otherwise provided in this chapter, will tend to make the authority bond more marketable.
- (3) A member of the board or other person executing an authority bond is not liable personally on the authority bond.
- (4)
  - (a) An authority bond:
    - (i) is not a general obligation or liability of the state or any of the state's political subdivisions; and
    - (ii) does not constitute a charge against the general credit or taxing powers of the state or any of the state's political subdivisions.
  - (b) An authority bond is not payable out of money or properties other than those of the authority pledged for the payment of the bond.
  - (c) A community, the state, or a political subdivision of the state may not be liable on an authority bond.
  - (d) An authority bond does not constitute indebtedness within the meaning of a constitutional or statutory debt limitation.
- (5) An authority bond is fully negotiable.
- (6) An authority bond is:
  - (a) issued for an essential public and governmental purpose; and
  - (b) together with interest on the authority bond and income from the authority bond, exempt from state taxes except the corporate franchise tax.
- (7) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the authority on the authority's rents, fees, grants, properties, or revenues.

Amended by Chapter 37, 2012 General Session